MORGAN STANLEY INVESTMENT MANAGEMENT

Asset Allocator

Prepared for

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ASSET ALLOCATOR QUESTIONNAIRE

Complete this questionnaire and return to your Financial Advisor.

1. What is your Primary purpose for investing in this portfolio?

- ☐ **Wealth Accumulation**
- ☐ **Retirement**
- ☐ **Major Purchase**
- ☐ **Educational Planning**
- ☐ **Current Income [If Current Income is selected, then Questions #3 and #4 are not required]**
- ☐ **Other (please describe below):**

2. Do you need current income (that is, will you take regular withdrawals from this portfolio)?

- ☐ **Yes**
- ☐ **No**

Approximately what percentage of the portfolio's current value do you need annually?

- ☐ **Less than 2%**
- ☐ **Greater than 2%, but less than 4%**
- ☐ **Greater than 4%, but less than 6%**
- ☐ **Greater than 6%**

3. In approximately how many years will you begin withdrawing funds for your primary purpose or investment objective?

- ☐ **Immediately**
- ☐ **1-5 years**
- ☐ **6-10 years**
- ☐ **11-20 years**
- ☐ **Over 20 years**

4. Once you begin to withdraw funds for your primary purpose or investment objective, over how long do you anticipate the withdrawals to continue?

- ☐ **I expect to withdraw all funds in a single lump sum**
- ☐ **1-5 years**
- ☐ **6-10 years**
- ☐ **11-20 years**
- ☐ **Over 20 years**

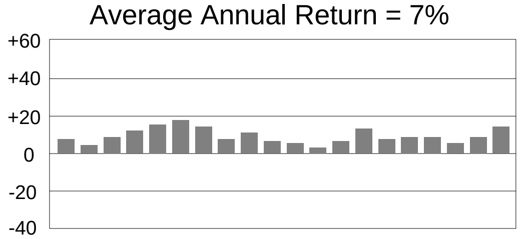
5. Which one of the following statements best describes your attitude towards the trade-off between risk and return?

- ☐ **I am primarily concerned with limiting risk. I am willing to accept lower expected returns in order to limit my chance of loss.**
- ☐ **Limiting risk and maximizing return are of equal importance to me. I am willing to accept moderate risk and moderate chance of loss in order to achieve moderate returns.**
- ☐ **I am primarily concerned with maximizing the returns of my investments. I am willing to accept high risk and high chance of loss in order to maximize my investment return potential.**

6. The following graphs show the historical year by year returns of three hypothetical investments over a 20 year period. The average annual return over the 20-year period is also indicated.
Again, please note that these are hypothetical examples only for the purpose of gauging your tolerance for risk. Actual results of any particular investment will vary and may be negative.
Given your investment goals for this account, which investment would you choose?

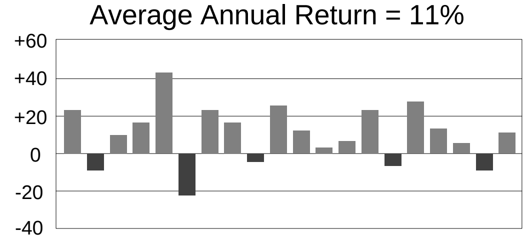
☐ **Investment X**

Average Annual Return = 7%



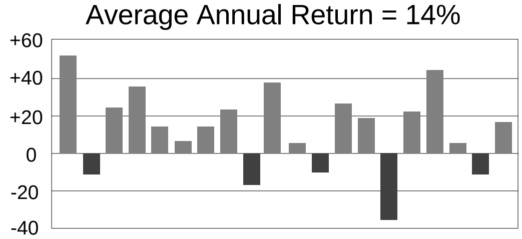
☐ **Investment Y**

Average Annual Return = 11%



☐ **Investment Z**

Average Annual Return = 14%

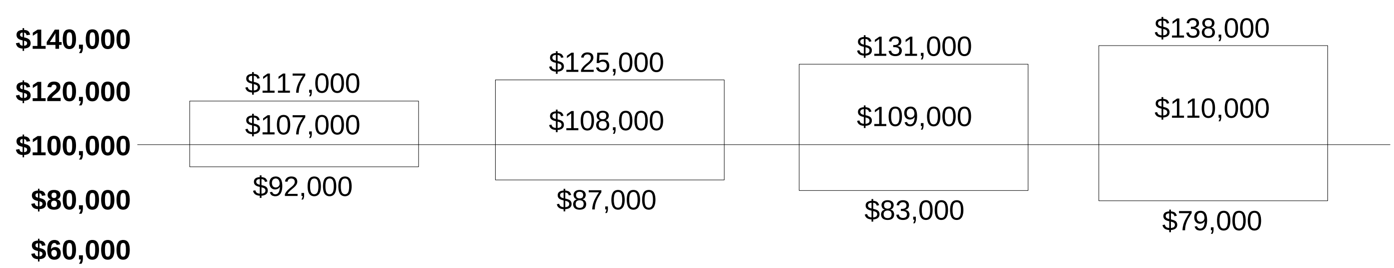


Also note that Investment Y's risk is substantially greater than Investment X's and Investment Z's is substantially greater than Investment Y's.

7. The risk of a portfolio suffering a decrease in value (having a negative return) is often a primary concern for investors. In seeking to achieve potentially higher returns, however, an investor must be willing to accept greater risk. The following table portrays four different hypothetical $100,000 portfolios. For each portfolio, the assumed value at the end of 1 year is shown along with the probabilities of suffering a decline that year, rather than a gain. Given your investment objective, check the box next to one of the four hypothetical portfolios in which you would be most comfortable investing.

Investment	Assumed value of $100,000 after 1 year	Chance of losing money after 1 year
☐ Investment A	$107,000	5%
☐ Investment B	$108,000	10%
☐ Investment C	$109,000	16%
☐ Investment D	$110,000	22%

8. Each bar below shows a range of possible one-year ending values for a $100,000 initial investment in one of four hypothetical portfolios. The assumed value of the average return for that portfolio is shown in the center of the bar. For example, it is assumed that at the end of a given year, Investment A could have an ending value anywhere between $117,000 (17% return) and $92,000 (-8% return). The assumed average ending value is approximately $107,000 (7% return). It is important to remember that the hypothetical portfolios are more likely to achieve the average return over long-term holding periods. The four bars represent the four hypothetical portfolios. (Please note that these are only examples - actual results will vary). Given the assumed possible average, best, and worst outcomes for each portfolio, please indicate which of the four options would be most suitable for your investment objective:



Range of Returns	- 8% to 17%	- 13% to 25%	- 17% to 31%	- 21% to 38%
Average Returns	7%	8%	9%	10%

☐ **Investment A** ☐ **Investment B** ☐ **Investment C** ☐ **Investment D**

9. Inflation can greatly erode the return on your investments, especially over time. For example, in a typical year with a 3.5% inflation rate, an investment with a 6% return before inflation would have a real return of only 2.5% (6% - 3.5% = 2.5%). Please specify which of the following best summarizes your attitudes regarding investments and inflation.

- ☐ **I prefer a portfolio that has the potential to return substantially more than inflation over the long run and I am willing to accept large short-term fluctuations in value (and a greater potential for loss) to achieve this goal.**
- ☐ **I prefer a portfolio that has the potential to moderately exceed inflation over the long run and I am willing to accept moderate short-term fluctuations in value (and a moderate potential for loss) to achieve this goal.**
- ☐ **I prefer to minimize short-term fluctuations in portfolio value (and the potential for loss) as much as possible, even if it means that my portfolio has the potential to only keep pace with or slightly exceed inflation.**

10. Sometimes investment losses are permanent, sometimes they are prolonged, and sometimes they are short-lived. How might you respond when you experience investment losses?

- ☐ **I would sell my investments immediately if they suffered substantial declines.**
- ☐ **Although declines in investment value make me uncomfortable, I would wait one to two quarters before adjusting my portfolio.**
- ☐ **I can endure significant declines in the value of my investments and would wait at least one year before adjusting my portfolio.**
- ☐ **Even if my investments suffered a significant decline over several years, I would continue to follow my long-term investment strategy and not adjust my portfolio.**

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Would you like to invest a portion of your portfolio in international investments?

- ☐ **Yes**
- ☐ **No**

Would you like the ability to invest a portion of your portfolio in real estate?

- ☐ **Yes**
- ☐ **No**

Would you prefer your fixed income investments to be in municipal bond investments rather than taxable government or corporate bond investments?

- ☐ **Yes**
- ☐ **No**

Would you like the ability to invest a portion of your portfolio in high yield fixed income?

- ☐ **Yes**
- ☐ **No**

Would you like the ability to invest a portion of your portfolio in emerging markets investments?

- ☐ **Yes**
- ☐ **No**

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Complete this questionnaire and return to your account executive.

Short-term

Savings accounts/Cash	**$**	
Certificates of deposit	**$**	
Money market funds	**$**	
Treasury bills	**$**	

Fixed Income

Government bond	**$**	
Tax-free income	**$**	
Diversified/Taxable bond	**$**	
International Income	**$**	
Other	**$**	

Equity

Large Cap	**$**	
Mid Cap	**$**	
Small Cap	**$**	
Specialty	**$**	
Global/Int'l	**$**	
Alternative Inv	**$**	
Other	**$**	